THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) The proposed National Company Law Tribunal (NCLT) will replace the existing Company Law Board (CLB), the Board of Industrial and Financial Reconstruction (BIFR), and jurisdiction of the High Courts in so far as it relates to the Companies Act. Registration of cooperatives as producer companies will, however, be done by the registrar of Companies.

(b) While the Companies (Second Amendment) Act, 2002, which provides for the setting up of the NCLT, has already been passed by Parliament, the Bill to repeal the Sick Industrial Companies (Special Provisions) Act (under which BIFR has been set up) is under consideration of the Parliament.

Buy back of bonds to settle NPAs

944. DR. AKHILESH DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a decision to allow banks to buy back their own bonds and to permit them to use the profits that may accrue to write off the bad debts outstanding against big companies, persons and entities; and

(b) if so, the details of the proposal/decision, the rationale and the objective thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Government has bought back high cost relatively illiquid Government of India's dated securities of face value equal to Rs. 14434 crore on July 19, 2003. Four securities were re-issued for equivalent amount (face value). The profits that bank have realized by selling the bonds to the Government are exempted for payment of income tax provided the profits are used for writing off NPAs.

Settlement of Claims

945. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of claims pending with four non-life Public Sector Undertaking Insurance companies during the last three years claim-wise, age-wise and amount-wise;

(b) whether Government's attention has also been drawn to the violations of Insurance Regulatory Development Authority guidelines by these Insurance Companies in settlement of the claims; and

(c) if so, what action is being taken by Government to clear the backlog at the earliest and to ensure that IRDA guidelines are strictly followed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The information is being collected and will be laid on the table of the House.

(b) and (c) Section 14(2)(b) of the Insurance Regulatory and Development Authority Act, 1999 empowers Insurance Regulatory and Development Authority (IRDA) for protecting the interest of the policy holders including matters relating to settlement of claims. The Authority in terms of the power conferred on it under IRDA Act, 1999 has issued IRDA (Protection of Policyholders' Interests) Regulations, 2002 on 26th April, 2002. One of the important features of the Regulations relates to the settlement of claims by Insurance Companies within a stipulated time frame. On the event of default for payment of dues within the stipulated period to the insured or its nominee, the Insurance Companies are liable to pay interest at a rate which is 2% above the bank rate prevalent at the beginning of the financial year. The IRDA has ensured widespread publicity on claims settlement procedures and taken steps to educate the insured on the provisions contained in the Protection of Policyholders' Regulations.

Issue of PAN Cards

946. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that from 1st July, 2003 for getting Permanent Account Number (PAN) people will have to pay a sum of Rs. 65/-; and

(b) if so, the details thereof and the reasons therefor? .